Terms of Appointment of Chairman of IDBI

54. SHRI S. M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) what are the terms of appointment of the Chairman of IDBI;

(b) whether a new Chairman of IDBI has taken over;

(c) whether it is a fact that Government have the power to revoke the appointment of a Chairman of IDBI;

(d) if so, whether it is also a fact that there has been adverse newspaper reports on the recent style of functioning of the Chairman of IDBI; and

(e) if so, what steps will be taken to revoke the appointment to set an example to all PSU appointees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) to (c) and (e) In terms of Articles of Association of IDBI Ltd., Chairman of IDBI Ltd. on whole-time basis is appointed by the Government for a tenure not exceeding 5 years. The Central Government have the right to terminate the term of office of the Chairman by serving notice of not less than 3 months in writing or three months salary and allowances in lieu of such notice.

The erstwhile Chairman of IDBI Ltd. appointed by Government w.e.f. 1.10.2003 to 31.5.2007 had relinquished his charge on 18.2.2005 upon his appointment as Chairman, Securities and Exchange Board of India (SEBI). The senior most Executive Director has been appointed by Government as Whole-time Director in-charge of the Chairman of IDBI Ltd. upto May, 31,2005 or until the appointment of the new chairman whichever is earlier.

(d) No. Sir.

Means Employed by Banks for Recovery of Loans

55. SHRI S. M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has given a free hand and total freedom to all banks to offer attractive consumer loans;